

MINUTES OF RIIA BOARD MEETING – April 16, 2012
All Saints Center on Raft Island

Board Attending: Rich Swenson, President, Charlotte Crain, VP, Anne Scea, Treasurer, Sarah Brown, Secretary, Trustees: RJ West, Dawn Stanton, Judd Morris, Dave Paly and Trish Burnett. **Absent:** John Rosendahl
Members Attending: Jim McReynolds, Tom Straub, Doug Van Doren, Gary Goodman, Gene Barkin, Jim Cushing

The meeting was called to order at 7:05 PM, by President, Rich Swenson. All Board members and attending members introduced themselves.

Approval of March 19, 2012 Minutes: The minutes, which had been previously approved by email and posted on the website, were reaffirmed.

Member's Request to Address Board: None
Request to Add Agenda Items: None

Treasurer's Report: Treasurer, Anne Scea, submitted four treasurer's reports by email (reports attached) to Board members on April 14, 2012. In addition, she submitted a report showing cumulative Bridge Replacement Phase I Costs (attached). There were questions about the Phase I report from Judd Morris and others. Some additional transactions should be added. Anne said she will look into how the QuickBooks software has been splitting out monthly assessments received. She may decide to take Phase I expenses out of the P & L report altogether. Anne will ask Island Manager if she can bill members with separate operating vs. bridge dues invoices. **Final Budget:** RJ West moved that the email vote that approved the 2012-13 Final Budget (attached), be reconfirmed. The motion was seconded and passed.

A question was asked about the need for an annual audit. During discussion it was determined that we will need very current audits to satisfy our bridge lenders – probably annually. It will cost approximately \$2700 to perform a 2012-13 audit.

Managers Report: Island Manager, Juanita Carbaugh, was not present but she emailed her March Report to Board members on 4/10/12. (Copy attached.)

- As recommended, it was decided to mail final annual statements to all members on monthly payment plans. Rich Swenson has instructed Juanita to do so.
- There was a discussion of assessment billing in the future. Though the By-Laws as presently written require full payment by Sept. 1st of each year, monthly payments are now used by many members. If we go forward in replacing the bridge, lenders recommend monthly payments – with regular invoices or coupon books.
- Collections report was discussed – including some questioning of the distinction between foreclosure, liens and “collections.”

- Dave Paly revisited the question of homeowners who do not pay dues. He suggested we initiate foreclosure proceedings against one or more of these individuals. Rich Swenson will ask the Island Manager what this would cost. He will also ask John Rosendahl to research the process.
- Trish Burnett moved that we write off as *bad debt* the uncollectible dues of two homeowners in the total amount of \$8,491, as recommended by the Island Manager. The motion was seconded and passed.

Old Business:

- **All Saints annual dues:** Rich Swenson summarized the situation: we have charged All Saints for five lots in the past instead of the six that are recorded and we have charged 2/3 of the dues overall. There was discussion about the mutual benefit we have with All Saints. It was suggested that the present arrangement should continue but be put in writing. The concern would be if they develop the properties or subdivide lots. In that case they would be subject to our By-Laws and have to pay full assessments. We can ask our lawyer to write a letter to All Saints. Dave Paly will draft a document with the important points listed for use of the attorney.

Committee Reports:

Parks and Recreation: Rich reported that Mark Eckenrode has volunteered to chair this committee. Rich will contact Mark to discuss the duties required.

Roads: Rich will contact Ken Kessler to see if he wants to continue as chair of this committee.

Security: We should have regular reports from this committee as summer approaches. Jim Cushing will help.

Bridge:

- **Finance:** Jim McReynolds, Finance Committee Chair, reported on the most recent communication with AmericanWest Bank (letter attached). New terms have been received. These requirements change our original understandings with Viking Bank (Viking was acquired by AmericanWest). Changes include an increase in interest rate to 3 pts over prime for the construction loan (6.25% at today's rate) and a term of 15 years instead of 30 years for the USDA backed loan. Five year reset and initial interest rate of the long-term loan would remain the same. Deadline for our acceptance is July 31st.

There was discussion of a potential second loan from USDA. Dawn Stanton said a copy of the letter from AmericanWest was sent to USDA (Whittle) who responded with news of possible additional funding from that source which would be at a very favorable interest rate and maturity date. This option won't be confirmed for another week or more.

- **Legal:** RJ West reported on the Barker-Martin email proposal to update our ByLaws in order to eliminate discrepancies and to overcome any concerns of lenders. She cautioned that we should not give them a blank check to revise the documents, but should specify areas of concern to be considered. Dave Paly reminded the Board

that Barker-Martin has a lot of credibility with lenders. Charlotte Crain suggested asking Juanita to go through the ByLaws in order to suggest how they should be cleaned up. Dave Paly will ask Juanita for her help and RJ will forward the Barker-Martin letter to Dave. RJ announced that the overpayment to law firm Oles-Morrison will be refunded.

- **Engineering:** It was reported that Wilson Construction was here at the bridge last week assessing details of their remediation plan and should have their report by the end of April. Meanwhile, Baillie will have chosen part of the team to go forward with eng/geotechnical studies. Baillie will also proceed with a pre-development meeting with the County as proposed. We seem to be on schedule. We'll need an update for the annual meeting.

New Business:

- There was a discussion about when to post internal documents. The following points were made:
 1. Island members deserve all information distributed in a timely manner; for example the recent loan agreement should be posted to the website.
 2. The board should decide what is in everyone's best interest – documents posted too soon may cause confusion.
 3. We can send out packets to members explaining their options
 4. We should send out a summary of the annual meeting for those who couldn't attend – since minutes are not distributed until approved a year later.
 5. We agreed to send out an email to all Island members with a brief summary of the bridge planning, an estimate of when we will get the numbers and an approximate date for the vote on how to proceed. Dawn will initiate the wording.
- We discussed the need for rules regarding Board meeting participation. It was agreed that, especially for large meetings, we need to remind members of their rights and obligations. Several people had suggestions, including written ones. We agreed that we would put copies of rules for all attending members on the sign-in table at the Annual Meeting.
- Doug Van Doren, who is assisting the **Emergency Committee** by preparing the letter of intent submission for FEMA, reported on the status of the meeting with FEMA. Doug will complete the application should we become applicants for funds which may be available as a grant in the event of emergency or potential emergency. There is no downside to applying, and this would be a possible back up in the event the bridge replacement does not go through.

There being no further business, the meeting was adjourned at 9:34 PM.

Respectfully submitted,
Sarah Brown, Secretary